

## **Program E: Gaming**

Program Authorization: La. Constitution, Article IV, Section 8; R.S. 36:701(D); R.S. 36:704(H); R.S. 27:1 et seq. (the Louisiana Gaming Control Board); Act 7 of the First Extraordinary Session of 1996; Act 888 of 1990 and Act 817 of 1993 (Indian gaming); R.S. 4:141 et seq. (the La. State Racing Commission); R.S. 4:701.1 et seq. (the Office of Charitable Gaming, Department of Revenue); and R.S. 47:9001 et seq. (the Louisiana Lottery Corporation); R.S. 27:351 et seq. (Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act).

### **Program Description**

The mission of the Gaming Program (organizationally expressed as the Gaming Division) is to serve the Louisiana Gaming Control Board and other client agencies in a manner that creates a regulatory atmosphere for licensed gaming and instills public confidence and trust that gaming activities are conducted honestly and are free from criminal and corruptive elements; to ensure the integrity of individual gaming entities by the regulation of persons, practices, associations, and activities within the gaming industry; and to anticipate and support necessary corrective rulemaking and legislation.

The goals of the Gaming Program are:

1. Provide superior legal and professional services to the State of Louisiana.
2. Improve cooperative working relationships with federal, state, and local agencies and private sector organizations.

The Gaming Program has responsibilities related to: Louisiana Gaming Control Board; Riverboat, Video Poker, and Slot Machine Gaming at Live Racing Facilities; Louisiana Lottery Corporation; State Racing Commission; Charitable Gaming; Land-based Casino; and Indian Gaming.

- Louisiana Gaming Control Board: The Gaming Program provides representation, legal advice, and counsel to the Louisiana Gaming Control Board in areas of land-based casino, riverboat, video poker gaming, slot machine gaming at race tracks, and gaming on Indian lands.
- Riverboat, Video Poker, and Slot Machine Gaming at Live Racing Facilities: The Gaming Program provides legal advice and representation to the Louisiana Gaming Control Board (LGCB) and Louisiana State Police (LSP) in all areas of gaming regulation, including licensing, enforcement, and rulemaking as well as prosecuting administrative actions, including denials of applications, suspensions, revocations, and civil penalties. The Gaming Program assists in the review of files and applications; represents the board and the LSP in judicial appeals of administrative actions; and defends the board and the LSP in other civil litigation related to gaming.
- Louisiana Lottery Corporation (LLC): The Gaming Program attends meetings of the Louisiana Lottery Corporation, providing legal advice and counsel on an as-needed basis to the LLC on wide ranging issues concerning operation of the lottery in accordance with the statutory provisions. The Gaming Program participates in the review of requests for proposals issued by the lottery for the solicitation of services to the LLC and provides legal defense in certain matters instituted against the LLC.

## **Program E: Gaming**

- State Racing Commission: The Gaming Program provides legal representation and counsel to the Louisiana State Racing Commission in all matters regarding the regulation of the horse racing industry, pari-mutuel wagering and off-track wagering. The Gaming Program prosecutes administrative actions on behalf of the commission and defends the commission in all civil litigation to which it is a party.
- Charitable Gaming: The Gaming Program provides legal advice and representation to the Office of Charitable Gaming in the Department of Revenue in all areas of gaming regulation, including licensing, enforcement, and rulemaking as well as prosecuting administrative actions, including denials of applications, suspensions, revocations, and civil penalties. The Gaming Program assists in the review of files and applications; represents the Office of Charitable Gaming in judicial appeals of administrative actions; and defends the Office of Charitable Gaming in other civil litigation related to gaming.
- Land-based Casino: The Gaming Program provides legal advice and representation to the Louisiana Gaming Control Board and the Louisiana State Police (LSP) in all areas of gaming regulation, including licensing, enforcement, and rulemaking as well as prosecuting administrative actions, including denials of applications, suspensions, revocations, and civil penalties. The Gaming Program assists in the review of files and applications; represents the board and the LSP in judicial appeals of administrative actions; and defends the board and the LSP in other civil litigation related to gaming. The program also assists in the negotiation and redrafting of a new casino operating agreement with the casino gaming operator.
- Indian Gaming: The Gaming Program advises the Louisiana Gaming Control Board on matters of Indian gaming and Indian law. The program provides legal counsel to the Louisiana State Police Indian Casino Gaming Division; handles all reviews of the denial, suspension, and revocation of state certification to work for or do business with Indian casinos; and serves as a resource for numerous state agencies for information on Indian gaming and Indian law.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$12,021	\$315,908	\$315,908	\$315,908	\$0	(\$315,908)
STATE GENERAL FUND BY:						
Interagency Transfers	128,738	162,581	162,581	172,007	170,112	7,531
Fees & Self-gen. Revenues	129,221	91,942	112,150	102,676	90,432	(21,718)
Statutory Dedications	3,620,898	4,596,098	5,065,846	4,760,238	4,740,153	(325,693)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$3,890,878</u></u>	<u><u>\$5,166,529</u></u>	<u><u>\$5,656,485</u></u>	<u><u>\$5,350,829</u></u>	<u><u>\$5,000,697</u></u>	<u><u>(\$655,788)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$2,612,862	\$2,454,595	\$2,842,603	\$2,953,782	\$2,670,868	(\$171,735)
Other Compensation	137,160	165,470	165,470	165,470	165,470	0
Related Benefits	513,555	655,863	532,140	528,148	426,574	(105,566)
Total Operating Expenses	439,135	548,775	408,775	443,975	431,929	23,154
Professional Services	94,411	682,422	1,027,885	575,129	558,137	(469,748)
Total Other Charges	1,819	455,904	455,904	463,825	527,219	71,315
Total Acq. & Major Repairs	91,936	203,500	223,708	220,500	220,500	(3,208)
TOTAL EXPENDITURES AND REQUEST	<u><u>\$3,890,878</u></u>	<u><u>\$5,166,529</u></u>	<u><u>\$5,656,485</u></u>	<u><u>\$5,350,829</u></u>	<u><u>\$5,000,697</u></u>	<u><u>(\$655,788)</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	57	57	57	57	57	0
<b>TOTAL</b>	<u><u>57</u></u>	<u><u>57</u></u>	<u><u>57</u></u>	<u><u>57</u></u>	<u><u>57</u></u>	<u><u>0</u></u>

## SOURCE OF FUNDING

This program is funded with the Interagency Transfers and Fees and Self-generated Revenues and Statutory Dedications. Interagency Transfers are derived from various state agencies for investigative and legal services as pertaining to gaming industry. Fees and Self-generated Revenues are derived from the Louisiana Lottery Commission. The Statutory Dedications are provided from the Riverboat Gaming Enforcement Fund and the Pari-Mutuel Live Racing Facility Gaming Control Fund . (Per R.S. 39.36B. (8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.)

	<b>ACTUAL</b>	<b>ACT 13</b>	<b>EXISTING</b>	<b>CONTINUATION</b>	<b>RECOMMENDED</b>	<b>RECOMMENDED</b>
	<b>2001-2002</b>	<b>2002-2003</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2003-2004</b>	<b>OVER/(UNDER)</b>
						<b>EXISTING</b>
Riverboat Gaming Enforcement Fund	\$3,620,898	\$4,238,111	\$4,707,859	\$4,402,251	\$4,382,166	(\$325,693)
Pari-mutuel Live Racing Facility Gaming Control Fund	\$0	\$357,987	\$357,987	\$357,987	\$357,987	\$0

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$315,908</b>	<b>\$5,166,529</b>	<b>57</b>	<b>ACT 13 FISCAL YEAR 2002-2003</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$489,956	0	Carryforward of operating expenses
<b>\$315,908</b>	<b>\$5,656,485</b>	<b>57</b>	<b>EXISTING OPERATING BUDGET - December 2, 2002</b>
\$0	\$220,500	0	Acquisitions & Major Repairs
\$0	(\$203,500)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$489,956)	0	Non-Recurring Carry Forwards
\$0	\$71,315	0	Rent in State-Owned Buildings
\$0	(\$140,223)	0	Salary Base Adjustment
\$0	(\$66,204)	0	Attrition Adjustment
\$0	\$21,309	0	Group Insurance Adjustment
\$0	(\$100,127)	0	Other Non-Recurring Adjustments - Non-recur the Office of Group Benefits premium adjustment
\$0	\$7,530	0	Other Adjustments - Modification of IAT charges to changes in IAT agreements
\$0	\$23,568	0	Other Adjustments - Additional rent costs for month-to-month leases due to the move to the Livingston Building
(\$315,908)	\$0	0	Net Means Of Financing Substitutions - Means of financing substitution to replace State General Fund with Riverboat Gaming Enforcement Fund
<b>\$0</b>	<b>\$5,000,697</b>	<b>57</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$0</b>	<b>\$5,000,697</b>	<b>57</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$0</b>	<b>\$5,000,697</b>	<b>57</b>	<b>GRAND TOTAL RECOMMENDED</b>

04B-141

**PROFESSIONAL SERVICES**

\$250,000	Legal Services dealing with the Bankruptcy of Harrah's Jazz Co. (Taylor, Porter, Brooks & Phillips, Baton Rouge)
\$30,000	Legal Services for the Gaming Control Board (Allen & Gooch, Baton Rouge)
\$45,000	Legal Services for the Gaming Control Board (P. Raymond Lamonica, Baton Rouge)
\$233,137	To be determined, for legal and other services deemed required by the department to carry out the mission of the department

**\$558,137      TOTAL PROFESSIONAL SERVICES**

**OTHER CHARGES**

\$2,164	Court Reporters, travel for witnesses, etc
\$315,946	Costs associated with slots at the track
<b>\$318,110</b>	<b>SUB-TOTAL OTHER CHARGES</b>
	<b>Interagency Transfers:</b>
\$75,444	Office of Risk Management fees
\$62,350	Office of Telecommunication Management fees
\$71,315	Portion of the rent cost in the Livingston Building
<b>\$209,109</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
<b>\$527,219</b>	<b>TOTAL OTHER CHARGES</b>

**ACQUISITIONS AND MAJOR REPAIRS**

\$87,000	Replacement equipment of various office equipment
\$80,000	Replacement of 4 high mileage vehicles
\$53,500	Replacement of library reference materials
<b>\$220,500</b>	<b>TOTAL ACQUISITIONS AND MAJOR REPAIRS</b>